



Culture of Caring

LIVING OUR MISSION AND VALUES

TESTIMONY OF
Dan McIntyre, President and Executive Director
Charlotte Hungerford Hospital
BEFORE THE
APPROPRIATIONS COMMITTEE
Thursday, February 16, 2017

HB 7027, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2019, And Making Appropriations Therefor

Good afternoon. My name is Dan McIntyre and I am the President and Executive Director of The Charlotte Hungerford Hospital (CHH) in Torrington, which serves over 120,000 lives in Northwest CT. I appreciate the opportunity to testify regarding HB 7027, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2019, And Making Appropriations therefor.

CHH has enjoyed a sense of fulfillment of its mission for over 100 years, providing excellent, quality and affordable patient care to all in need. Over the last 5 years, the shortfall in Medicaid and other state payments, along with the state hospital tax, have reduced our hospital's operating revenue by over \$9.6 Million per year (as measured by totaling the cumulative, incremental annual reductions since 2012).

Since CHH serves one of the largest government payer populations in the state, the effects of missing this net revenue started to be harshly felt in 2016, causing an operating loss of nearly \$7 Million. Please keep in view that during all of these state payment reductions and hospital taxes, CHH maintained its reputation for outstanding patient safety and care, while sustaining our status as one of the lowest cost hospitals in the state.

Still, last year's operating loss, combined with the projected continuing operating loss for this fiscal year and the new state proposals for more taxes and less funding in the future, constitute a major driver behind CHH's recent decision to seek an affiliation with a larger health system. In light of this, we respectfully ask you to consider these questions: Why is it acceptable and in the public interest to tax nonprofit hospitals? Why is it acceptable to take federal funds intended for health care and divert them to general fund spending? Why is it acceptable to propose taking another net \$700,000 from CHH in this upcoming state fiscal year?

For several years now we have attempted to decipher the state's health care policy and clear vision and expectations of hospitals in this state. We have been unsuccessful. Our hard job has been made harder because we are under significant financial stress. The money reduced or

diverted is money we would otherwise have invested in patient care and staffing and to improve our hospital's infrastructure and technology.

The components of HB 7027 that affect our hospital as drafted, establishes yet another tax on us and involves a scheme to eliminate our real property tax exemption. CHH is the largest employer in the greater Torrington area and a cornerstone in our community. While you have many difficult decisions to make, we need you to preserve healthcare in Connecticut and stop and reverse this trend of slowly undermining our essential hospital system.